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January 17, 2002

Renetta Hesse  
Trial Attorney  
Antitrust Division  
Department of Justice  
601 D Street NW, Suite 1200  
Washington, DC 20530

Dear Ms. Hesse:

As a former chairman of the Finance Committee in the North Carolina House of Representatives, I was asked many times to approve compromises which had been worked out between various legislators even though the legislators came into the process with widely divergent views. Now, Judge Kollar-Kotelly faces a similar task with the settlement agreement worked out between Microsoft, the Department of Justice and nine attorneys general in an effort to clear up the government's case against the world's largest software company.

As I did for those years, I would urge the judge to move forward and approve the settlement for many reasons. First, the settlement was approved by our attorney general in North Carolina and now the taxpayers of our state no longer have to fund that activity. Second, I believe that when a fair compromise can be reached, it is best to do so as quickly as possible. Otherwise, cases get dragged out in our system for many years, sometimes ultimately coming to settlement years later. Meantime, more taxpayers' money is consumed as was \$30 million in the federal case against Microsoft.

As a legislator who is concerned about economic development and education in our state, I believe it is not in the best interest of anyone to have such lawsuits lingering over a major corporation. This is especially true of Microsoft which has a facility in North Carolina. What lawsuits can do to the economy is not good. Several years ago when initial negotiations in the lawsuit broke down, the downturn among Microsoft and other tech stocks had a great negative impact on the market and the financial accounts of millions of individuals. Even though such ups and downs are inevitable, I believe that the market causes, not government intervention should be the cause.

Even though I am not an attorney, it seems that both Microsoft and the federal government have come out with both positive and negative.

Sincerely,

A handwritten signature in black ink, appearing to read "Lyons Gray".

Lyons Gray



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